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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/01/1999

Roger C. Clinton, date of birth (DOB), [REDACTED] was interviewed at his residence. After being advised of the identity of the interviewing agents, and the nature of the interview, Clinton stepped out into the front yard of the house, and voluntarily agreed to answer questions. He thereafter provided the following information:

Clinton advised he first met Tommy Gambino about four to four and a half years ago. He was introduced to Tommy Gambino at a club in Beverly Hills by a man named Pasquale (LNU), who was the manager for musician Gino Vinelli. Clinton could not provide the name or location of the club.

Clinton stated that the two most common questions he gets asked regularly are, "What is it like to be the President's brother? and Can you help me get someone out of jail?" Clinton stated after talking to Tommy Gambino he knew the reason for the introduction was to see if he could help Tommy Gambino get his father released from prison.

At this point, Clinton and the reporting agents moved from the front lawn of the house to the side of the house and stood on the driveway for the remainder of the interview.

Clinton advised that after he began to spend time with Tommy Gambino, he learned about the family and the efforts that they have made to get Tommy Gambino's father, Rosario, released from prison. They have hired very qualified attorneys and been through the appeal process. Clinton stated that he identified with Tommy Gambino on a number of levels and because of this, he became passionate about trying to help him get his father released.

Clinton stated that since Rosario Gambino has been in prison, Tommy has had to grow up without a father. Clinton advised that he, too, had grown up without a father, and sympathized with that position. Tommy Gambino has a close knit Italian family. Clinton stated that when he grew up in Arkansas he and his brother grew up close to an unnamed tight knit Italian family. He further

FBI-RC-00001

Investigation on 9/30/99 at Redondo Beach, CAC  
UNCLASSIFIED  
DATE 12/29/99 BY [REDACTED]File # 72-BA-96138Date dictated 10/1/99by SA Tracey Silberling  
SA Kevin M. Adley

ATTACHMENTS

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Continuation of FD-302 of Roger C. Clinton, On 9/30/99, Page 2

stated that he has is own prison experience which has given him an insight to the prison system. Through his experience of being incarcerated, he claimed to have learned that things are not always as they appear or as they are reported.

Clinton advised that Tommy Gambino provided him with all the case files related to his father's case. He has spent hours reviewing all the files. Clinton stated that after his full review of the case, he does not believe Rosario Gambino is being treated fairly. Rosario Gambino has served three years longer than the maximum guidelines for his offenses. He has been given release dates on two occasions and they have both been denied. The same person, whose name he declined to provide, has denied the release, and provided different reasons each time. Clinton further advised that he believes Tommy Gambino's father may be treated differently than other people strictly because of this name. Clinton advised that he too has experienced that problem. He stated that the name can be both a positive or negative depending on the circumstances.

Clinton stated that after getting to know Tommy Gambino, and reviewing Rosario Gambino's case file, he wanted to help the family. He told Tommy Gambino that he would not agree to help the family unless they provided him with all the information related to the case. Clinton told Tommy Gambino that he did not want any information withheld that might effect his decision to help the family. Gambino told Clinton if there is any information withheld from you, it was also being withheld from him (Tommy Gambino). Clinton stated he really felt for the family and grew passionate about trying to help them. He further advised that he told Tommy Gambino that by his providing assistance and making contact with the U.S. Parole Commission to seek assistance with this case, it could actually work against him. Clinton stated his name will not necessarily be an advantage when it comes to fighting this matter. Gambino was willing to take the risk and have Clinton attempt to help.

Clinton stated that his agreement to help Tommy Gambino attempt to obtain the release of his father from prison was purely informal. They did not write any contracts or discuss specific compensation for the assistance. Clinton told Tommy Gambino that he did not know if his efforts to assist would produce any positive results. In fact, he stated some of the officials he contacted might be worried about appearances of helping him because of his name, and that could work against them. Clinton said, "As you can see, I was right. To date, my efforts have provided no help".

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Clinton stated that he knew his name associated with the Gambino name would raise some eyebrows, but he did not realize it would generate this much interest.

Clinton stated he did not discuss his decision to assist the Gambino family in this case with anyone. He advised he telephoned the U.S. Parole Commission directly and asked for the names of the individuals who are members of the Commission. He then began to telephone and write letters to individuals on the Commission in an attempt to arrange meetings and discuss the case. Clinton stated he did not tell his brother, the President of the United States, specifically what he was working on. He believes, however, that the President knew he had some business with the U.S. Parole Commission, but did not know specifically what he was working on. He did not tell his brother that he was working on the Rosario Gambino case. He did not seek advise or referrals from the President in his efforts to contact the Parole Commission on behalf of Rosario Gambino.

Clinton stated that he did not represent to anyone on the Parole Commission that his brother was aware of his efforts to assist the Gambino family or that the President was supporting his effort to assist in getting Rosario Gambino released from prison. Clinton stated he would not ask the President for help in a matter like this. Clinton further stated that is why he was keeping his contact with the U.S. Parole Commission "above-board." In fact, during the process he learned from someone at the Parole Commission that if he was to receive information regarding a specific case, he would have to obtain a waiver from the prisoner or his or her family. He would have to register himself as an official representative of that person, in order to permit the authorized disclosure of personal and protected information. Clinton stated as soon as he learned that, he processed the proper paperwork to register as an official representative of Rosario Gambino.

Clinton stated that one of the individuals he met with on the Parole Commission was Tom Kowalski. Another individual he attempted to meet with was the Commissioner Michael Gaines. Clinton stated that he knew Gaines from growing up in Arkansas. He placed a telephone call to Gaines office requesting an after hours meeting or dinner with Gaines. Clinton advised Gaines must have known what he wanted to discuss because Gaines assistant called Clinton back and told him that it was inappropriate for Gaines to speak with Clinton regarding a case. He has placed telephone calls, written

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letters and attempted to set up meetings with others on the Commission to discuss the Gambino case.

Clinton advised that he did not want to provide the names of specific people he has spoken with concerning this matter. Clinton said "I'm sure it is a public record and you can find out by checking the records."

Clinton was asked if he was ever given anything of value for his assistance in this matter. He advised he had not received anything for this assistance. Clinton stated that Tommy Gambino said if he (Clinton) could help get his father released from prison, "we will take care of you." Clinton said that he knows what that means. He stated "I'm not stupid, I understand what the big picture is." He again stated that no specific compensation was discussed if he were to be successful in obtaining Rosario Gambino's release. Clinton advised it was his understanding if he were successful, he would be financially compensated. Clinton is not sure however, if he will be able to help Tommy Gambino and his family. Clinton then stated that he had received two airline tickets to Washington DC from Tommy Gambino and expenses for the trips. Tommy Gambino put the airline tickets on his credit card. Clinton also admitted to having received an undisclosed amount of expenses, but did not provide any information as to how the expense money was furnished to him.

Clinton was asked if he had received any gifts from Tommy Gambino while he was assisting the family with the case, and Clinton initially responded "no." After further inquiry, Clinton then advised "I was shown a Rolex watch once, but it was not given to me." Clinton explained that the watch was on the wrist of Tommy Gambino who asked Clinton if he ever had a Rolex.

Clinton related that he and Tommy Gambino were discussing watches and cigars at a coffee shop in Beverly Hills, the name and location of which Clinton could not remember. He stated he and Tommy Gambino got into a conversation about cigars. Clinton stated he knew that if the embargo on Cuban cigars ever got lifted, "they could all make a lot of money." Clinton recalled a conversation, the date or approximate time of which he could not recall, he had with his brother, Bill Clinton, who told him the cigar embargo would not be lifted while he was still President. President Clinton allegedly said "The embargo will be eased for food and medicine because that is the direction the world is going, but not for cigars, not during your life time."

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Clinton stated that after leaving the coffee shop, Tommy Gambino took him to look at watches at an unnamed "pawn shop," also in Beverly Hills, California where they encountered actor and Hollywood celebrity George Hamilton. Clinton said Hamilton, who is "a friend of Tommy's," sells watches and cigars. Clinton said Hamilton had a briefcase full of watches which he displayed to Clinton and Gambino, but they left without buying a watch.

Clinton subsequently reversed his earlier denials and admitted to having actually received a watch from Tommy Gambino, who told him it was an "Italian custom" to give such a gift as a token of appreciation. Clinton could not remember either when he was given the watch, or where he was when he received it. Clinton claimed, however, he did not keep it, but returned it to Gambino after he had "heard" the watch is a "fake." Clinton could not remember who told him the watch was an imitation, or when he had learned it was a "fake."

Clinton again amended his previous statement when pressed for details regarding the watch's return. Clinton stated that even though it was supposed to be "a fake," he did not return the watch because it was a gift of appreciation from the family. Clinton contended that he never wore it because it was "too gaudy" with a thick gold band and a blue face. Clinton said he was confused in that he did not know the present location of the watch. Clinton stated "Tommy could have it," or that he may actually still have the watch. He stated "he really didn't know." Clinton advised "It could be in my flippin trunk for all I know, it could be in my garage, or almost anywhere." Clinton offered to locate the watch "if it is really important, but it's going to take a lot of effort, so don't ask unless you really need it." Clinton was asked to look for the watch after the interview and contact the interviewing agents if he located it. Clinton agreed to do so.

Clinton asked if Tommy Gambino was in trouble and if he was involved in something Clinton should know about. He stated that as far as he knew, Tommy Gambino is very clean.

Clinton advised he is currently trying to buy a house in the Torrance, California area and Tommy Gambino has offered to loan him an undisclosed amount of money for the down payment. This loan is not compensation for his assistance to the Gambino's in attempting to get Rosario Gambino released from prison. The offer is for a loan which must be repaid. It is not to give Clinton the

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money. This offer was made regardless of the outcome with Clintons efforts to obtain Rosario Gambino's release.

Clinton repeatedly asked if Tommy Gambino was in trouble. He said he felt very uncomfortable about giving information about Tommy Gambino because he was a friend. Clinton stated he learned in prison not to "rat" on people. He said he is very uncomfortable giving the reporting agents any names unless he is given a very specific reason for the need. Clinton stated "I don't even have to talk to you guys." The reporting agents acknowledged Clinton's comment, and again thanked him for his cooperation and answering questions.

Clinton stated that he does now own a silver Rolex watch. He bought it from an unknown street vendor in front of a "rainbow" or "multicolored" hotel in Tijuana, Mexico. He paid \$250 dollars for the watch in cash and has no receipt of the purchase. He could not provide either the name, street address or approximate location of the hotel.

Clinton went inside the residence and returned with the watch he purchased in Mexico. The watch is a Rolex Oyster Perpetual Date Explorer II, with an expandable silver band. On the reverse side of the face, a faint serial number 16570 appeared below the Rolex logo inside the green medallion.

At this stage in the interview, the interviewing agents advised Clinton of the provisions of Title 18, U.S. Code Section 1001 and the criminal exposure of making false statements to federal agents. Clinton was informed it was a violation of law to provide false information to federal law enforcement officers and that he could be prosecuted, fined and imprisoned for doing so. Clinton was then asked, after being advised of Title 18, U.S. Code Section 1001, would he care to change or otherwise amend any of his previous statements, and Clinton replied "No," he was comfortable with what he had said.

Clinton was asked about his business travel. He stated that he has made a number of business trips to foreign countries over the last few years. Clinton stated that he is a musician and plays with a six piece band. He has received invitations from Presidents and other foreign government leaders from between 10-12 different countries. Clinton advised he knows he receives these invitations strictly because he is the First Brother of the President of the United States. Clinton advised that the President

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is aware of the invitations, in general, but may not know each time he takes a trip. Clinton stated that when he receives an invitation to visit a country he is often offered money by the country to make the trip. He stated that he would not accept the invitation unless he could earn the money. He insists on performing with his band while visiting the country. He is a musician and wants to be recognized for his music. Clinton stated he receives a minimum of \$25,000 per performance when he travels. He may play a few nights during a given trip. He likes to perform for children during these trips and attempts to make those arrangements.

Clinton stated he has traveled to South Korea approximately six times. He has gone as the personal guest of President Kim Dae Jong (phonetic). He has been paid as much as \$200,000 for performing on a trip. He has also traveled to Japan, Argentina and 8 to 10 others countries. Clinton stated that the country extending the invitation usually pays for him and his six piece band to fly to the country and perform. The host country usually pays all their expenses and provides a Presidential security detail while they are there.

Clinton stated he has received payment for these performances in a number of ways. He has received payment by check in United States dollars, cash in United States dollars and also in the currency of the host country. Clinton stated in some instances the foreign government even provides extra funds to cover the costs of taxes that would be assessed against the money. Clinton advised he did not want to provide specific details on what exactly he is paid for his performances or the method of payment because that is "personal."

Clinton stated that when he receives an invitation to a country he always calls the National Security Council to get the clearance to make the trip. He stated that they usually say no at the very beginning, then he talks them into agreeing to let him make the trip. Clinton stated that he always provides the Security Council with an itinerary whenever he makes one of these trips. Clinton advised that he usually does not take his wife on these trips because he considers these trips to be business trips. She has gone on one or two of the trips with him. Clinton stated that just last week they got back from Kazakhstan.

Clinton advised that while he visits foreign countries as their guest he is often presented with all kinds of gifts. Examples he gave were vases, sheep skin rugs and many more he could not

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remember. He also received gifts for the President which he has sometimes kept. Clinton advised that in his earliest trips, at the beginning of the Presidents term, he would be offered money for the President from some of the foreign government officials he was visiting. He stated years ago he did not know he could not accept money for the President. Clinton stated he was told by either the President or his staff that he could not bring money back from a foreign country for the President. He advised he was told on a couple of occasions to send the money back because the President was not allowed to accept money from a foreign country.

Clinton was asked if he reported the money he earned on his foreign country visits as income on his United States tax returns. He stated that yes he reported the income. He was asked if he claimed the expenses on his tax returns as well. Clinton stated that he only claimed the expenses that he actually paid for on his tax returns. Clinton further advised that years ago he had some tax problems. At one point he owed between \$40,000 to \$60,000 dollars in taxes. He made arrangements with the Internal Revenue Service (IRS) to pay of the tax debt, and does not want to have any more problems.

FBI-RC-00008



4-14-98

First Union National Bank  
1000 22nd Street, N.W.  
Washington, D.C. 20037  
First Union National Bank  
Member FDIC  
First Union National Bank  
Member FDIC  
First Union National Bank  
Member FDIC

4/1/98

1975

2500.00

Organized Banking

Anthony D. Reddy

DEPOSIT TICKET

TO BE USED FOR DEPOSIT TRANSACTIONS ONLY. SUBMIT  
A VOIDED CHECK FOR AUTOMATIC PAYMENT SET UP

CURRENCY

00

DATE 4/10/98

25.00

25.00

Bank of America

21-10959-06512 (PFS CASH) NNN  
BQ 421765688888573592 C CA AN

NET DEPOSIT

07064716

for deposit only

4/1/98

21-10959-06512 (PFS CASH) NNN  
BQ 421765688888573592 C CA AN

NET DEPOSIT



510090005-0027-03535-82920

TRANST  
POLY-740

TELLER  
NUMBER

BRANCH  
ACCOUNT

**CASH**

27  
TELLER NUMBER

CASH RECEIVED - 12-14-99 NEW 142316  
142316-0353-101499-0027-0353  
004-03531634

04 05

CASH REC  
\$193,042.43

ANALYZE  
CONFIRM ☐

TE-104 9-75 (Rev. 4-85)

**PURCHASE RECORD**

TODAY'S DATE 12/14/99

MONTH DAY YEAR

NAME CHANG SUK EUN

ADDRESS 27747 Hawthorne Blvd

Rancho Palos Verdes

CA 90272-2163

THIS PACKAGE CONTAINS  
10 (TEN) \$100 TRAVELERS CHEQUES  
IN NUMERICAL SEQUENCE BEGINNING WITH  
RA235-353-840

**US \$1000**

Travelers  
Cheques

AMERICAN EXPRESS COPY  
Return with Daily Statement

**PURCHASE RECORD**

TODAY'S DATE 12/14/99

MONTH DAY YEAR

NAME CHANG SUK EUN

ADDRESS 27747 Hawthorne Blvd

Rancho Palos Verdes

CA 90272-2163

THIS PACKAGE CONTAINS  
5 (FIVE) \$1000 TRAVELERS CHEQUES  
IN NUMERICAL SEQUENCE BEGINNING WITH  
GB019-327-945

**US \$5000**

Travelers  
Cheques

AMERICAN EXPRESS COPY  
Return with Daily Statement

**PURCHASE RECORD**

TODAY'S DATE 12/14/99

MONTH DAY YEAR

NAME CHANG SUK EUN

ADDRESS 27747 Hawthorne Blvd

Rancho Palos Verdes

CA 90272-2163

THIS PACKAGE CONTAINS  
10 (TEN) \$100 TRAVELERS CHEQUES  
IN NUMERICAL SEQUENCE BEGINNING WITH  
RA235-353-870

**US \$1000**

Travelers  
Cheques

AMERICAN EXPRESS COPY  
Return with Daily Statement

**PURCHASE RECORD**

TODAY'S DATE 12/14/99

MONTH DAY YEAR

NAME CHANG SUK EUN

ADDRESS 27747 Hawthorne Blvd

Rancho Palos Verdes

CA 90272-2163

THIS PACKAGE CONTAINS  
10 (TEN) \$100 TRAVELERS CHEQUES  
IN NUMERICAL SEQUENCE BEGINNING WITH  
RA235-353-860

**US \$1000**

Travelers  
Cheques

AMERICAN EXPRESS COPY  
Return with Daily Statement

76105654

76105652

## CONSULTING AGREEMENT

This Consulting Agreement ("Agreement") is made and entered into as of the \_\_\_\_ day of June, 2000 ("Effective Date") by and between Roger Clinton, d.b.a. Odgie Music ("Consultant"), and J. Perez Associates, Inc. ("Client").

### RECITALS

1. WHEREAS, Client is in the business of importing and exporting goods from countries outside the United States of America; and
2. WHEREAS, Consultant is in the business of providing counsel and advice in the areas of International Business Relations with respect to the importing and exporting of goods to and from the United States of America; and
3. WHEREAS, Client desires to retain Consultant to provide counsel, advice and to promote Client to entities necessary to conduct its import and export business.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and mutual covenants and promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, each intending to be legally bound, do hereby agree as follows:

### TERM AND RENEWAL

This Agreement becomes effective as of the Effective Date, and shall continue for a period of one (1) month ("the Term"), unless sooner terminated by either party. Client and Consultant agree to enter into a second agreement on the same terms as this Agreement for the month during which Client's travel outside the United States takes place.

### CONSULTANT'S SERVICES

Client desires to retain Consultant to provide counsel, advice and to promote Client to entities necessary to conduct its import and export business. Consultant agrees that during the Term, it shall spend a minimum of 20 hours to meet with Client to assist Client with its import and export opportunities.

### COMPENSATION OF CONSULTANT

1. For the Term of this Agreement, Consultant's charges for the Services described in the Recitals above shall be Five Thousand Dollars and no cents (\$5,000.00) per month. Client shall pay these charges in advance, with the first payment paid upon execution of this Agreement.
2. Consultant shall provide an invoice for his services.
3. Client agrees to pay for all reasonable travel expenses incurred by Consultant as they relate to travel approved by Client under this Agreement.

### INDEMNITY BY CLIENT

Client indemnifies and holds harmless Consultant from any and all claims, demands, actions, causes of action, judgments, orders, damages (including foreseeable and unforeseeable consequential damages), costs, expenses, fines, penalties directly or indirectly arising out of, relating to, or resulting from this

**EXHIBIT**5



Agreement, unless they are a result of the actual or alleged negligence, whether passive or active, or intentional acts or omissions of Consultant.

### INDEMNITY BY CONSULTANT

Consultant indemnifies and holds harmless Client from any and all claims, demands, actions, causes of action, judgments, orders, damages (including foreseeable and unforeseeable consequential damages), costs, expenses, fines, penalties directly or indirectly arising out of, relating to, or resulting from this Agreement, unless they are a result of the actual or alleged negligence, whether passive or active, or intentional acts or omissions of Client.

### RELATIONSHIPS OF PARTIES

The relationship between Client and Consultant, as created pursuant to the terms of this Agreement, is an independent contractor relationship. None of the provisions of this Agreement are intended to create, nor shall they be deemed or construed to create any relationship between the parties other than that of an independent contractor. It is further agreed that nothing contained herein shall be construed to create a joint venture, partnership, lease or employer/employee relationship between Client and Consultant.

### TERMINATION

Termination for Cause. Either party may terminate this Agreement at any time for "cause," which, for purposes of this Section shall be defined as and limited to, the following defaults by the other party:

1. Breach of Payment Obligations. In the event that Client fails to pay any amounts when due.
2. Other Breach. A failure by the defaulting party to perform any material obligation required hereunder other than payment obligations, if such default shall continue for ten (10) calendar days after the giving of written notice from the nondefaulting party specifying the nature and extent of such default, or, if the breach cannot reasonably be cured in ten (10) days, if the breaching party has not acted diligently, or subsequently acted diligently, to attempt to cure the breach within the ten (10) day period following notice from the nondefaulting party. If the parties disagree as to the existence of a breach or, whether the breach has been cured, the parties shall use their good faith efforts to resolve the dispute through negotiation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Consultant:

ODGIE MUSIC

By: \_\_\_\_\_

Its: \_\_\_\_\_

Client:

J. Perez Associates, Inc., a Texas corporation.

By: \_\_\_\_\_

Its: \_\_\_\_\_

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Agreement, unless they are a result of the actual or alleged negligence, whether passive or active, or intentional acts or omissions of Consultant.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written:

Consultant:

ODGIE MUSIC

By: Roger C. Clinton

Its: \_\_\_\_\_

Client:

J Perez Associates, Inc., a Texas corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

**J. PEREZ ASSOCIATES, INC.**  
 DALLAS ACCOUNT  
 1000 ILLINOIS AVENUE / MAY, STE 500  
 LONG BEACH, CA 90805  
 (562) 434-1875

**CITY NATIONAL BANK**  
 1225 S OLIVE STREET  
 LOS ANGELES, CA 90014  
 18-18087220

6317

DATE: 05-25-2000

TO: **Olga Music**

AMOUNT: \$ \*\*5,000.00

Pay to the order of **Olga Music**

Five Thousand and 00/100

Olga Music  
 Attn: Vicki Crawford  
 104 S Drenth Rd. West  
 Suite 204  
 Van Nuys, CA 91411

0000500200

**Checking Deposit**

NAME: **Olga Music**

ACCOUNT: **0000500200**

CURRENCY	DOLLARS	CENTS
CASH	5,000	00
CHECKS		
TOTAL DEPOSIT	5,000	00

**Bank of America**

6-26-00

1000500200

05252000

0000500200

1000500200

ADDITIONAL CHECKS

DATE	AMOUNT	CHECK NO.	DEPOSIT NO.
05/25/00	5,000.00	0000500200	0000500200

CUBA TRAVEL SERVICES  
GENERAL ACCOUNT  
3751 KILROY AIRPORT WAY, SUITE 500  
LONG BEACH, CA 90806  
(310) 772-2822

CITY NATIONAL BANK  
806 S OLIVE STREET  
LOS ANGELES, CA 90014  
16 16081220

10069

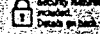
12400

TO THE ORDER OF Odgie Music

\$ \*\*15,000.00

Fifteen Thousand and 00/100

DOLLARS



Odgie Music  
C/O Crawford Management  
1664 Macaroon Circle, Suite A  
Van, CA 91357

*[Signature]*

000015009000

Bank of America

Cash Out - Credit

RIVIERA VILLAGE  
COST CENTER 0456  
TELLER NO. 003

Trans 00179 08/28/2000 13:20  
Entity MSG ID 0046456 Tlr 60443  
Account 081095908517  
P/T# 540530135  
Cash Out \$5,000.00  
A/C# 0000 12345678901234567890 075604

50000500000

8-28-00

Checking Deposit

ACCOUNT NUMBER Odgie Music

DATE OF DEPOSIT

ADDRESS

CITY

STATE

ZIP CODE

TELLER NO.

TELLER'S PRESENCE FOR CASH RECEIVED

TELLER'S SIGNATURE

TELLER'S INITIALS

TELLER'S NAME

TELLER'S PHONE

TELLER'S FAX

TELLER'S E-MAIL

TELLER'S ADDRESS

TELLER'S CITY

TELLER'S STATE

TELLER'S ZIP CODE

TELLER'S FAX

TELLER'S E-MAIL

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CIBA TRAVEL SERVICES  
CASH ADVANCE ACCOUNT  
1000 AVENUE OF THE STARS  
SUITE 1000  
ROCKEFELLER CENTER  
NEW YORK, N.Y. 10020

CASH ADVANCE BANK  
NEW YORK, N.Y.  
LOS ANGELES, CALIF.  
SAN FRANCISCO, CALIF.

2028

\$ 100.00

Card No. 1000000000  
Cardholder's Name  
Cardholder's Address  
Cardholder's City, State, Zip

*Carly*

1000000000

Bank of America

Cash Out - Credit

ENTERA VILLAGE  
POST CENTER  
TELLER NO. 1001

1000000000

9-27-00

Checking History

Check No.	Amount	Date	Payable To
1001	100.00	9-27-00	Carly

**ODGIE MUSIC**  
**108 S. Frontage Road West**  
**Suite 306**  
**Vail, CO 81657**  
**Office: (970) 479-0392**  
**Fax: (970) 477-2101**

---

**Invoice:** 00100

**Client:** J. Perez & Associates, Inc.

**Services:** Consulting services for J. Perez & Associates, Inc. For consulting services rendered during July 2000 to in contract dated June 2000.

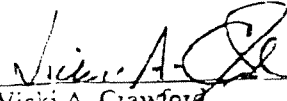
- Trip to Washington D.C.

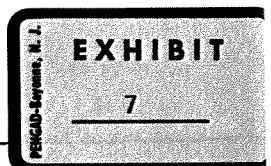
**Billable Amount:** \$5,000

**Total Amount Payable to Odgie Music (Roger Clinton):** \$5,000

Thank you for your continued business.

Signed:

  
Vicki A. Crawford  
Personal Manager to Roger Clinton



FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/21/1997

To: CID

Attn: Section Chief

Birmingham

Tron W. Brekke

Little Rock

Attn: Personal Attn: SAC

Attn: Personal Attn: SAC

From: Knoxville

Squad 3

Contact: Steed Walter G III

Approved By: Parker David E

Drafted By: Steed Walter G III:pjw

Case ID #: 194-0-46

Title: INFORMATION CONCERNING CONTRACT  
FOR CONSTRUCTION OF BIRMINGHAM  
REGIONAL AIRPORT

Synopsis: To provide updated information concerning interview of  
JOHN CATAPOTUS (protect identity).

Administrative: Re Knoxville telephone calls of SA WALTER G.  
STEED, III to Birmingham Supervisor JAMES BROWN and Little Rock  
Acting Supervisor GREGORY HALL on 5/16/1997.

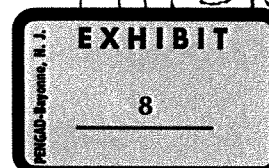
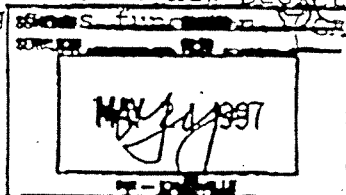
Details:

On 5/17/1997, Knoxville Special Agent WALTER G. STEED, III, was  
put in direct contact with JOHN CATAPOTUS, telephone number  
Birmingham, Alabama.

(protect identity), an

The following is a summary of the information obtained  
from CATAPOTUS regarding above-captioned matter:

CATAPOTUS indicated that he has been in public service  
for approximately 20 years and was formerly an elected official  
in Birmingham, Alabama. For a number of months he has been  
working on a project to bring an international airport and a high  
speed rail system to the Birmingham area. In August of 1996, he  
was planning an international referendum on this airport project  
and invited then Secretary of Transportation FREDERICO PENÁ to be  
a speaker at this referendum. By that time PENÁ was on his way  
out as Secretary of Transportation and therefore he never  
responded to this request. In November of 1996, LARRY WALLACE, a  
self-proclaimed power broker connected to the CLINTONS contacted  
him from Little Rock, Arkansas, and invited him to a party in  
Little Rock. At that point in time, it was fairly certain that  
RODNEY SLATER would be the new Secretary of Transportation and  
would be attending. CATAPOTUS agreed to go to this



FBI-RC-0000011

To: CID From: Knoxville  
Re: 194-0, 05/21/1997

party with the intent of lobbying for SLATER to speak at the airport referendum.

After attending this party, LARRY WALLACE contacted CATAPOTUS on several occasions indicating that he (WALLACE) should represent CATAPOTUS' organization in Washington, D. C. WALLACE assured him that he could get this seminar done. In one of these conversations, WALLACE told him that President CLINTON, who he described as a close personal friend, was concerned about his brother, ROGER CLINTON, and ROGER CLINTON's lack of employment and income. According to WALLACE, President CLINTON tasked him with finding some type of job for ROGER CLINTON. WALLACE suggested to CATAPOTUS that maybe you could find something for ROGER CLINTON in your project. CATAPOTUS said that he agreed to try and find something as long as it was unrelated to any Government contracts. WALLACE had ROGER CLINTON call CATAPOTUS directly.

CATAPOTUS did receive several telephone calls from ROGER CLINTON and in these calls ROGER CLINTON indicated that through his contacts (ostensibly with the CLINTON White House), he had gotten some things done which he (ROGER CLINTON) had not gotten credit for having accomplished. ROGER CLINTON indicated that he did not want to discuss this over the telephone and wanted CATAPOTUS to meet him at his residence in Redondo Beach, California. CATAPOTUS stated that he was taken back at the dollar amount of the request and felt that this was considerably disproportionate with what he was seeking to have done, that is, having RODNEY SLATER speak at a seminar regarding the regional airport concept. CATAPOTUS stated that through contacts that he has he checked LARRY WALLACE out and his contacts assured him that WALLACE was a "player." CATAPOTUS stated that shortly after the request from LARRY WALLACE, ROGER CLINTON called him again and told him that LARRY WALLACE has no influence that doesn't "drive directly through me." CATAPOTUS stated that he told CLINTON that he needed to come up with a list of tasks and a reasonable amount of money assigned to these tasks and to be certain that there would be no potential conflict of interest in this matter prior to making this type of financial commitment. A short time later, LARRY WALLACE called him and apparently in frustration over the difficulty in getting this deal done told CATAPOTUS that nothing was going to happen on his projects until CATAPOTUS "showed him the money." He again reiterated that he wanted him to come up with one month's payment to ROGER CLINTON.

CATAPOTUS stated that in his conversations with LARRY WALLACE, LARRY WALLACE offered to make arrangements for him to spend a night in the Lincoln bedroom. This was prior to this becoming a scandalous issue for the CLINTON White House. WALLACE also made references to his friendship with YSSAR ARAFAT and

other individuals who have since become known as significant financial contributors to the CLINTON re-election campaign.

CATAPOTUS stated that he personally kept pressing the Secretary of Transportation's office to try and get an answer on the Secretary of Transportation speaking at the regional airport seminar. Based on the number of months and his frustration in getting an answer in this matter, he is personally convinced that his project was being held in abeyance while LARRY WALLACE was negotiating the fee to be paid to ROGER CLINTON. In his frustration, he had a conversation with BONNIE ROBINSON, an employee of the Department of Transportation's office in Washington, D. C., in which he detailed to her his frustration and his belief that the delay in receiving an answer in this matter was tied to the LARRY WALLACE-ROGER CLINTON money request. A short time later, he received a rather caustic telephone call from CATHERINE GRUNDIG of Secretary SLATER's office who assured him that there was no connection to the LARRY WALLACE-ROGER CLINTON financial request. He also received a call from KEN MULLINEX (phonetic), an employee of Congressman HILLARD's office, concerning this matter. He had reached out to Congressman HILLARD's office and asked for advice on how to handle this particular problem. MULLINEX contacted him on 5/14/1997, and told him that they had received a call from the highest level, not further identified, concerning this matter. MULLINEX told CATAPOTUS that he had "been bad again" and that he should not make allegations concerning ROGER CLINTON and LARRY WALLACE. Furthermore, he assured him that both ROGER CLINTON and LARRY WALLACE had asked RODNEY SLATER to speak at this seminar.

CATAPOTUS stated that he is reluctant to get involved in this matter due to the fact that he feels that he has friends in both political parties and feels that most of these individuals would distance themselves from him if he cooperated with the FBI in some type of investigation relating to this matter. He admitted that he had taped some of these telephone calls from ROGER CLINTON and/or LARRY WALLACE, but has not decided if he would be willing to turn these tapes over to the FBI at this point. CATAPOTUS was informed by SA STEED that it would be helpful if he would talk directly to GREGORY HALL of the Little Rock Office concerning this matter and arrangements were made for a telephonic contact between HALL and CATAPOTUS on 5/16/1997. CATAPOTUS indicated that he is familiar with SA JIM KEIL of the Birmingham Office from a previous investigation several years ago.

In view of the fact that Knoxville has no venue in this matter and that CATAPOTUS is willing to talk directly to Agents assigned to similar investigative matters, Knoxville anticipates no additional investigation in this matter.♦♦

# *Moving Forward Through Cooperation*

Working together in a spirit of cooperation to promote common interests was the main goal of four local governments who joined forces in 1993 to establish **The Council of Cooperating Governments**.

One of those common goals is to improve passenger rail for the Southeast, particularly in the development of a high speed rail corridor. Realizing that passenger rail service will eventually benefit the entire country, the Council's ultimate goal is to not only see this proposed Southeastern corridor become a reality, but to also see it linked with existing and proposed high speed rail corridors across the country.

At the urging of several governments across the country, The Council, which now has 25 member governments from five states, is expanding its membership nationwide in order to have an even greater voice in convincing the railroads, Amtrak, and state and federal officials to improve passenger rail service, safety and funding.

The Council of Cooperating Governments believes for high speed rail to be success, there needs to be a nation-wide coalition governments working toward the common interest of high speed rail advancement. In working together with our member governments and other organizations that share the same vision, the Council feels that high speed ground corridors throughout the nation can and will become a reality.

## *Purpose and Goals*

The Council's purpose and goals are:

- To work for improved rail service, rail safety, and rail development, using the combined influence of our member governments.
- To coordinate our efforts with similar organizations who share our goals.
- To continue educating government officials and the public about multimodal

transportation, which will allow waterways, highways, air and rail to work together.

- To increase awareness of economic and environmental benefits a true multimodal transportation system brings to the region, especially in luring new industry.
- To monitor and study efforts being made in other parts of the country concerning improved rail service.
- To coordinate communication between the member governments to keep them abreast of current developments concerning transportation issues that might affect them.

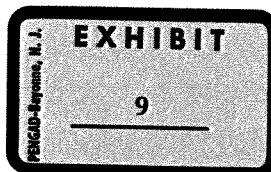
## *Demonstration Project Success*

A goal The Council completed in October 1995 was a Southeast high speed rail demonstration project, which was co-sponsored by the Federal Railroad Administration, Amtrak and Turbomeca. The RTL II Turbo Train was developed by FRA and Amtrak to demonstrate the viability of turbine engines on non-electric tracks. The train, which can travel at 125 mph, is currently being operated along the Empire Corridor between Albany, N.Y. and New York City.

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The Council of Cooperating Governments is a not-for-profit association of governments funded by its member fees. Its charter, established by its founding governments, allows for membership and equal voting privileges of governments, regardless of size. The organization is open to any local government for an annual fee of \$1,000. Individuals and organizations may also join as non-voting members for an annual fee of \$100. members.

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FBI-RC-0000166



Office of the Independent Counsel

Redding Building  
1701 Centerview Drive, Suite 203  
Little Rock, Arkansas 72211  
(501) 221-8700  
Fax (501) 221-8707

September 30, 1997

Federal Bureau of Investigation  
10825 Financial Center Parkway  
Suite 200  
Little Rock AR 72211

Attention: Mr. I. C. Smith  
Special Agent In Charge

Dear Mr. Smith:

Enclosed for your information is a memorandum concerning President Bill Clinton from SA Sissy Stanton to SSA Steven D. Irons, dated 9/8/97. Also enclosed is a newspaper article titled "Friend of Clinton Aides Offered Help to Milosevic," which appeared in the Los Angeles Times on 9/18/97.

The enclosed memorandum notes similarities in information concerning President Clinton that was provided by two unrelated sources. The newspaper article concerns Larry Wallace, a Little Rock attorney and one of the individuals noted in the memorandum.

The information set forth in this memorandum is outside the mandate of the Office of the Independent Counsel, which has jurisdiction and authority to investigate matters relating to James McDougal or President or Mrs. Clinton's relationships with Madison Guaranty Savings & Loan Association, Whitewater Development Corporation or Capital Management Services, Inc. Accordingly, this matter is being forwarded to your office for whatever action you deem appropriate.

Sincerely,

KENNETH W. STARR,  
Independent Counsel

By:

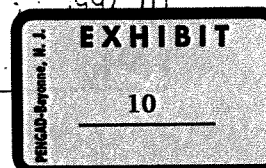
SD  
STEVEN D. IRONS  
Supervisory Special Agent

Enc 1  
SS/ss

1- Address

F

FBI-RC-0000014



Memorandum

Office of the Independent Counsel

To : SSA STEVEN D. IRONS [REDACTED] (Date) 9/8/97  
From : SA SISSY STANTON  
Subject: BILL CLINTON

Re conversation between SSA Irons and SA Stanton on 9/5/97.

-2 Enclosed is one copy each of an FBI-302 for JOHN CATAPOTUS (PROTECT IDENTITY), dated 5/16/97, [REDACTED]

n Administrative

The purpose of this memorandum is to point out similarities in information provided by each of the above-named individuals. [REDACTED]

1 [REDACTED]  
2 [REDACTED] has provided information to FBI/Little Rock regarding a high level CLINTON administration-connected attorney's attempts in 1996 to have ROGER CLINTON put on a \$35,000 per month employment contract, with \$30,000 of that amount coming from the AMTRAK railroad union.

In approximately June, 1997, writer heard a report on a local Little Rock radio station that ROGER CLINTON had recently begun paying monthly child support for an illegitimate child.

Similarities noted from information provided by two unrelated sources

I. 1994 - DICK MORRIS, political consultant

-2 A. [REDACTED]  
n

3-SSA S. Irons (3 enc.)  
1-SA S. Stanton  
1-[REDACTED]  
SS/ss  
(5)

FBI-RC-0000015



B. Ostensibly involved with a railroad group's effort to privatize AMTRAK.

C. Discussed deal with BILL and HILLARY CLINTON.

D. Solicited \$50,000, to be sent to BLACK, MANFORD, STONE & KELLY, a law firm located in the Washington, D.C. metropolitan area.

E. [REDACTED]

II. 1996 - LARRY WALLACE, Little Rock attorney.

A. Telephonically contacted CATAPOTUS in Birmingham, Alabama on numerous occasions.

B. Ostensibly involved with helping CATAPOTUS get his Birmingham airport project going.

C. Said BILL CLINTON wanted WALLACE to watch over ROGER CLINTON's finances.

D. Pressed to have ROGER CLINTON put on \$35,000 per month employment contract, with \$30,000 of this amount coming from the AMTRAK railroad union.

E. CATAPOTUS described WALLACE as a "bag man."

Miscellaneous

At writer's request, SA GREG HALL, on 9/5/97, provided the following telephone numbers for ROGER CLINTON: [REDACTED] - home; [REDACTED] - fax; and [REDACTED] - pager. SA HALL also provided a Farmers Branch, TX telephone number of [REDACTED] that ROGER CLINTON used on one occasion, which CATAPOTUS obtained through called identification. On 9/5/97, FBI/Dallas telephonically advised that Farmers Branch is a suburb

of Dallas, and that [REDACTED] has been listed since 1990 to  
ELMER D. and EMILIE J. MARTIN, [REDACTED] P

Recommendation

Based upon similarities in the above-described scenarios of two unrelated sources, writer recommends initiation of a preliminary investigation regarding the alleged involvement of BILL CLINTON in AMTRAK matters.

BATES STAMPS FBI-RC-0000018 and FBI-RC-0000019,

AN ATTACHMENT TO Letter DATED 9/30/97, FROM

Kenneth Star TO LR HAS BEEN DELETED FOR THE

FOLLOWING REASON(S): E-2, M, P.

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- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/2/97

On May 16, 1997, JOHN CATAPOTUS (PROTECT IDENTITY) of Birmingham, Alabama, telephone numbers [REDACTED] and [REDACTED] was telephonically interviewed. CATAPOTUS was advised of the identity of the interviewing Agent and the purpose of the interview. He provided the following information:

P

CATAPOTUS has a friend in New Orleans, Louisiana, known as FRANK STEWART. They have known each other for a while, and CATAPOTUS described STEWART as a "good, straight guy." CATAPOTUS was discussing his Birmingham airport project with STEWART and the problems he had experienced trying to get the project going. CATAPOTUS was seeking a high profile, influential person to be a guest speaker at a seminar to promote the Birmingham airport project. The seminar would be attended by local and state political figures as well as representatives of certain Federal agencies.

During his discussion with STEWART, he (STEWART) said that he knew an individual in Little Rock, Arkansas, who could get the project going. This individual was supposed to be well connected, according to STEWART. Eventually, CATAPOTUS received an unsolicited telephone call from this person STEWART had mentioned. This individual identified himself as LARRY WALLACE.

WALLACE told CATAPOTUS that he was well connected to the CLINTON administration. He invited CATAPOTUS to Little Rock to attend an election party. CATAPOTUS accepted the invitation, and he and his friend, FRANK STEWART, attended an election night (November 1996) party honoring the reelection of President CLINTON. The party was held at the law office of WALLACE, located in the TCBY Building, downtown Little Rock.

CATAPOTUS thought the situation was somewhat humorous inasmuch as he is the secretary of the Republican Party of Alabama and was attending a Democrat function. He met WALLACE for the first time at this party. WALLACE identified those present to CATAPOTUS, most of whose names he did not recognize. He recalled WALLACE describing these individuals as "financial heavy hitters," "friends of BILL," a good crowd.

Investigation on 5/16/97 at Little Rock, Arkansas (telephonically)

File # LR 194-0 Date dictated 5/22/97

by SA GREGORY M. HALL/ss0

FBI-RC-0000020

LR 194-0

Continuation of FD-302 of JOHN CATAPOTUS, On 5/16/97, Page 2

CATAPOTUS and WALLACE continued having telephonic contacts, addressing the airport issue as well as a foundation for disaster relief with which CATAPOTUS is involved. WALLACE asked to meet CATAPOTUS in Washington, D. C., during his (CATAPOTUS') next business trip. WALLACE offered CATAPOTUS the opportunity to spend a night at the White House, an offer WALLACE claimed to be capable of arranging. (At this point during the interview, CATAPOTUS stated that he had been a guest at the White House during the FORD, CARTER, REAGAN, and BUSH administrations. Consequently, he was not impressed with WALLACE's offer.)

CATAPOTUS traveled to Washington, D. C., to meet with representatives of the union representing some AMTRAK railroad employees. He agreed to meet WALLACE at a restaurant on the Potomac River. WALLACE arrived by boat and had it docked near the restaurant. WALLACE was in the company of a woman, possibly a girlfriend. In attendance at the dinner, in addition to WALLACE, his girlfriend, and CATAPOTUS, was a member of the railroad union. After dinner, WALLACE insisted on picking up the tab. This made CATAPOTUS uncomfortable because he did not want to owe anything to WALLACE.

After this meeting in Washington, D. C., WALLACE continued telephoning CATAPOTUS. The calling kept intensifying to the point CATAPOTUS thought it was somewhat of a joke because WALLACE would seem to call every other day. During one of their conversations, WALLACE told CATAPOTUS that President CLINTON told him (WALLACE) that he (President CLINTON) was concerned about his "baby" brother ROGER. The President wanted WALLACE to watch over ROGER where his finances are concerned. WALLACE then talked to CATAPOTUS about CATAPOTUS meeting ROGER CLINTON. WALLACE dropped hints that it would be nice for ROGER CLINTON to get work. It was obvious to CATAPOTUS what was occurring. CATAPOTUS offered to consider having ROGER CLINTON work for the Disaster Relief Foundation in which CATAPOTUS was actually involved. CATAPOTUS sent WALLACE material on the foundation to pass to ROGER CLINTON.

WALLACE pressed CATAPOTUS to get ROGER CLINTON on a contract. CATAPOTUS asked WALLACE if he (WALLACE) was acting as an attorney representing ROGER CLINTON or as a lobbyist for him, to which WALLACE replied he was not. After this conversation, CATAPOTUS came to the conclusion that, if WALLACE was not ROGER CLINTON's attorney or lobbyist, then he was a "bag man."

FBI-RC-0000021

LR 194-0

Continuation of FD-302 of JOHN CATAPOTUS, On 5/16/97, Page 3

During a later conversation, CATAPOTUS asked WALLACE to clearly define the tasks of what ROGER CLINTON should do for the foundation and to memorialize these tasks in a document. Additionally, CATAPOTUS told WALLACE these tasks had to pass moral and legal standards.

CATAPOTUS started having doubts regarding how "connected" WALLACE was to the CLINTON administration. He contacted Alabama Congressman HILLYARD's office in an attempt to determine if WALLACE was as connected as he portrayed himself being. CATAPOTUS talked to a staff member by the name of KEN MULLINAX (phonetic spelling). MULLINAX recontacted CATAPOTUS and confirmed that WALLACE was as "connected" as he said he was, and MULLINAX instructed CATAPOTUS to treat WALLACE nicely.

During another contact, WALLACE told CATAPOTUS that he wanted ROGER CLINTON on contract for \$35,000 per month. CATAPOTUS stated the foundation could not possibly afford to pay ROGER CLINTON \$35,000 per month. WALLACE then instructed CATAPOTUS on how he could obtain the money. CATAPOTUS can get \$5,000 per month from the Council of Cooperating Governments and \$30,000 per month from the railroad union. This would be paid to ROGER CLINTON through the foundation. CATAPOTUS, now trying to delicately get out of the situation, put things back into perspective. He reminded WALLACE that all he needed was a guest speaker for a seminar. CATAPOTUS then decided to try to get a guest speaker on his own.

CATAPOTUS decided to contact RODNEY SLATER in an effort to fill the guest speaker role. SLATER is a friend of FRANK STEWART, and CATAPOTUS later lobbied for SLATER's appointment with the Department of Transportation (DOT). CATAPOTUS' contacting of SLATER predated his DOT appointment.

ROGER CLINTON personally telephoned CATAPOTUS. The caller ID on CATAPOTUS' telephone indicated ROGER CLINTON was calling from Farmers Branch, Texas. It was apparent during the conversation that ROGER CLINTON had discussed the \$35,000 per month contract with WALLACE and was aware of details WALLACE and CATAPOTUS discussed. ROGER CLINTON provided CATAPOTUS with his telephone numbers, including a pager number. CATAPOTUS did use these numbers on occasion to initiate later contacts.

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CATAPOTUS had several conversations with ROGER CLINTON. CATAPOTUS told ROGER CLINTON that it was not worth \$35,000 per month to have a guest speaker. ROGER CLINTON claimed that WALLACE did not have any influence that he (ROGER CLINTON) did not already have. In fact, ROGER CLINTON claimed that WALLACE had to go through him to get things handled. ROGER CLINTON stated that he would like to discuss this more, but not on the telephone, and invited CATAPOTUS to visit him in Redondo Beach, California. ROGER CLINTON then told CATAPOTUS that, "They had only four years to get things done, they didn't care about ethics or what appearances were." CATAPOTUS believed "they" referred to ROGER CLINTON and his brother, President CLINTON.

A few minutes after this telephone call, WALLACE contacted CATAPOTUS and told him that he would have to stay involved in this contract issue with ROGER CLINTON. WALLACE also told CATAPOTUS something to the effect that he (CATAPOTUS) would have to "show the money" before anything would happen regarding the airport.

CATAPOTUS told ROGER CLINTON that he (CATAPOTUS) would have to discuss the contract issue with the Foundation Board. ROGER CLINTON later said that he was tired of doing favors without being recognized or compensated, meaning to CATAPOTUS that ROGER CLINTON was expecting to be paid.

During the last five months, CATAPOTUS has written, faxed, and called the office of RODNEY SLATER to have him be the guest speaker. To date, there has not been a response, not even a "no." CATAPOTUS did ask a staff member why he could not get even a "no" answer. CATAPOTUS talked to a staff member by the name of BONNIE ROBINSON. He described her as sounding honest and decent. He expressed his suspicions that Mr. SLATER's office had not responded because of influence by ROGER CLINTON and/or LARRY WALLACE not to do so. Ms. ROBINSON assured him that his suspicions were not the case. She did acknowledge knowing who ROGER CLINTON and LARRY WALLACE were.

Later that day, CATAPOTUS received a telephone call. Upon his answering the telephone, the caller did not identify herself nor did she ask to speak to anyone. Instead, the caller immediately went into a dialogue stating that RODNEY SLATER's office disclaims any connection with ROGER CLINTON or

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LARRY WALLACE. The caller did eventually identify herself as KATHERINE GRUNDIG of RODNEY SLATER's office. She told CATAPOTUS that, if he was not satisfied with her answer, he should contact the proper authorities. He responded, "OK," and hung up. Ms. GRUNDIG called back moments later asking if they had been cut off. CATAPOTUS replied they had not, that he had the information he needed and had hung up. CATAPOTUS described Ms. GRUNDIG's telephone demeanor as being short and curt.

CATAPOTUS followed up this telephone call with a letter to Ms. ROBINSON. Essentially, the letter stated that either the staff of RODNEY SLATER's office was incompetent in its handling of his request or he was a victim of an extortion. The letter was recently mailed, possibly last Friday (May 9, 1997). The purpose of sending the letter was to get some kind of response. He added that the airport project has a potential of adding 40,000 jobs to the area. He would like to see the airport project succeed even if he had to leave it.

CATAPOTUS has not heard from WALLACE in weeks. He believes that WALLACE and MACK MC LARTY, both attorneys, may have practiced law together.

CATAPOTUS has a friend who is a news reporter for AP. This friend, STEVE VISSER (phonetic spelling) works in Birmingham and was recently made aware of this situation. VISSER was eager to run a story on it, but CATAPOTUS has asked that it not be done at this time.

FBI-RC-0000024



## Friend of Clinton Aides Offered Help to Milosevic

■ Politics: Businessman secretly said he could act as contact between Serb leader, White House, officials say.

By JAMES RISEN  
TIMES STAFF WRITER

WASHINGTON—A Little Rock, Ark., attorney and international businessman with close ties to senior advisors to President Clinton met secretly with Serbian President Slobodan Milosevic in 1994 and offered to act as an intermediary between Serbia and the United States, according to U.S. officials.

Larry C. Wallace, a 54-year-old Little Rock lawyer and friend and former business associate of longtime Clinton aide Thomas "Mac" McLarty, met with Milosevic in Belgrade, when civil war was raging in what had been Yugoslavia.

At the time, Wallace was attempting to gain entree to the

Greek cable television market, and he said in an interview that his meeting with Milosevic was arranged by the Greek government, which has close relations with nearby Serbia.

Wallace's activities on the international stage put him in a category that includes several other Arkansas lawyers and businessmen who, as private citizens, apparently represented themselves abroad as friends of the president and who may have used their connections in Washington to advance their business interests.

In this group is Mark E. Middleton, a special assistant to McLarty when McLarty was White House chief of staff at the beginning of Clinton's presidency. Middleton, whom Wallace describes as a friend, became an international deal maker after leaving the White House in early 1995, and he is now a central figure in the campaign finance controversy.

But more broadly, Wallace's tangled tale suggests that, in pursuit of his business interests, he was willing to trade on his ties to the Clinton White House at the behest of a foreign country—namely, Greece. In the process, he seems to have become a player in a complex international drama of war and peace.

Wallace's meeting with the Serbian president, widely regarded in the West as one of the primary aggressors in the Yugoslav civil war, triggered a highly sensitive investigation by the Central Intelligence Agency, which learned of the meeting only when informed of it by Serbian intelligence, according to CIA sources. The CIA's inspector general is still examining how the matter was handled within the agency, CIA officials said.

Wallace confirmed in an interview that he met privately with Milosevic and discussed the Balkans crisis, but he insisted that he never told anyone at the White House about it.

Wallace said he told Milosevic during their private meeting in Belgrade that he could act as a messenger to the Clinton White House, but only if he sought permission from Washington first. He said that Milosevic did not give him any message to take back to Washington and that he never heard from the Serb president again.

In their meeting, Wallace said, Milosevic conducted a nearly hourlong monologue, insisting that he was working for peace and stability in the region, that he was tolerant of ethnic minorities and that he considered himself a friend of the United States. Above all, Wallace said, Milosevic expressed concern about the international economic sanctions imposed on his country.

"I hardly said five words," Wallace recalled.

At the end of the meeting, Wallace said, he pointedly asked Milosevic what he wanted from him.

"I said to Milosevic, 'I don't know if you are expecting me to deliver a message, but if you are, you have got to let me know. And if you do want me to take a message, I've first got to seek permission to do that.' So I did offer, but it was in the way of being polite," Wallace said that he has never had any business dealings in Serbia and did not discuss business opportunities in Serbia with Milosevic.

After their meeting, Wallace said: "I wrote the man a thank-you note and I never heard from him again. And I never discussed this with anybody at the White House."

Wallace's visit came to the CIA's attention after the Serb government contacted the agency's station in Belgrade to check up on Wallace, agency sources said.

"Somebody in the field sent this back to headquarters, about a meeting between Milosevic and a guy named Larry Wallace," said a former senior CIA official. "The question came up from the field: What is going on with Larry Wallace?"

Eventually, the CIA learned that Wallace's meeting with Milosevic had been arranged through the

Serbian ambassador to Greece.

CIA officers were told by the Serbs that Wallace "was there to offer his services to attempt to solve the problems of Yugoslavia," said a former CIA official. The CIA was told by the Serbs that Wallace claimed that "he had all these high-powered connections, and could do all kinds of things to ease the [international] sanctions" that were then in place against Serbia, the former CIA official added.

Wallace offered a remarkable account of how an obscure Arkansas lawyer ended up in a secret meeting with one of the world's most notorious dictators.

Wallace is a lifelong friend of McLarty and more recently, a Clinton political ally, serving in 1992 as a member of the Clinton-Gore Arkansas Finance Council. Since 1992, Wallace has contributed a total of \$47,000 to Clinton-Gore campaigns and the Democratic National Committee, according to Federal Election Commission records.

An Arkansas native with a bachelor's and law degrees from the University of Arkansas, Wallace quickly became active in local and state political and community affairs. He and McLarty, a college classmate, maintained a lifelong friendship, and Wallace served on the board of directors of Little Rock-based Arkla Inc. when McLarty was running the gas utility firm.

Eventually, Wallace gained the attention of Gov. Bill Clinton, and in 1984 he chaired a petition drive backed by Clinton to amend the state constitution to lengthen the governor's term in office from two years to four.

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Finance Council. Since 1992, Wallace himself has contributed a combined total of \$17,000 to Clinton-Gore campaigns and the Democratic National Committee, according to Federal Election Commission records.

Wallace became involved in a wide variety of business ventures, including the acquisition of shopping centers and other real estate, a frozen yogurt franchise and a Little Rock television station. He also had his share of business setbacks,

including the demise of the Little Rock law firm that he had helped found, and he suffered through a long-running financial dispute with his former partners in an ill-fated arms company.

Throughout, Wallace maintained his close friendship with McLarty and, after the 1992 presidential election, helped McLarty make the transition from running Arkla to running the White House staff.

A White House spokesman said records show that Wallace visited the White House at least a few dozen times from 1993 through 1997, primarily to see his friends from Arkansas, including McLarty and Middleton.

McLarty said through a White House spokesman that while he and Wallace "have been friends for over 20 years," he had "no knowledge of Mr. Wallace's activities in Serbia."

Robert Luskin, an attorney for Middleton, said Wallace's visits to Middleton were "primarily social. . . Mr. Middleton was never asked by Wallace to do anything on a visit to Yugoslavia."

But it didn't take long after the 1992 presidential election for Wallace to realize the business value of his Arkansas political connections.

"You know, in 1993, I think there were a lot of people trying to figure out who was who from Little Rock," Wallace recalled. "That activity has died down now, but there for a while, people from Little Rock were getting calls from around the world from people trying to see who knew somebody. And I tried to be accommodating. . . I didn't know who to make mad or who not to make mad."

In 1993, Wallace began to commute frequently to Washington to work as a lobbyist, operating out of the offices of the Washington law firm of Ackerson & Bishop. In an April 1993 Associated Press interview, Wallace was candid about how he took advantage of his White House ties on behalf of his clients.

would you be receptive to having a meeting in the office with the chairman of some company or having lunch with him?" And he says, "Yeah." Wallace told AP.

"What I've done is find out

through the chief of staff's office who is responsible in the administration" for specific policy decisions. "I set up an appointment and get an idea what the plans are—see what way they're leaning on policy and how we could assist them."

In 1993 he also began to take advantage of his White House connections to make international business and political contacts. "I was trying to get into the television business in Greece," Wallace said in the interview with The Times. "I did a lot of research on cable television there."

In the process, Wallace met then-Greek Prime Minister Andreas Papandreou, who soon began to ask Wallace for small favors in Washington.

Among other things, Wallace said, the ailing prime minister, who died in 1996, asked Wallace to help him gain access to experimental drugs in use in the United States and to try to arrange for him to receive care at Walter Reed Army Hospital in Washington. Wallace said he passed on Papandreou's requests to the State Department.

Before long, however, Wallace said he began to receive more difficult requests. Wallace said an official close to Papandreou asked him to go to Macedonia, a republic formed from the splintered Yugoslavia, to try to convince its leaders to change the name of their country and the design of their flag. Greece and Macedonia have battled over both issues for years, and the Greeks apparently hoped Wallace's White House connections would increase pressure on Macedonia.

Wallace said he refused to go to Macedonia. But in 1994, while he was in Athens trying to develop his cable television deal, he said a Greek government official asked him to visit the Greek Foreign Ministry.

He said he was escorted to the office of George Papandreou, the deputy foreign minister and the son of the prime minister.

But George Papandreou wasn't there. Papandreou said through a Greek government spokesman that he had never heard of Larry Wallace and knew nothing of his visit to Milosevic.

Instead, Wallace said, he found

Greek government officials who did not identify themselves. "They said, 'Could you go to Serbia and visit with the president of Serbia?' I didn't know what they were talking about," Wallace said.

But Wallace, clearly hoping to please the Greek government at a time when he was hoping for a cable television deal, agreed. The next morning a Greek official took him to the Athens airport and put him on a plane to Serbia.

In Belgrade, Wallace said, a driver from the Greek Embassy took him to meet Milosevic and picked him up again afterward.

Wallace said that he never understood exactly why the Greeks arranged for his visit, and that he still does not know why Milosevic wanted to see him.

"I didn't get any instructions from the Greeks about what I was supposed to do when I saw Milosevic, and I didn't get any instructions from Milosevic on what he wanted, either," Wallace said.

"He just poured out his heart about his efforts to bring peace and stability, and what a friend his country had been to the U.S.," Wallace recalled of his meeting with Milosevic. "And I said thank you very much, and I never had one phone call to follow up. It beats me what I was doing there."

Yet as he left Serbia, Wallace recalled, he began to realize that the meeting with Milosevic might "not have been the right thing to do." And he began to wonder whether he had been caught up in some complex international game that he didn't understand.

And so Wallace kept the story to himself, unaware that the CIA investigated the matter until he was contacted by The Times.

"I never considered telling anyone at the White House," he said. "There was nothing that Milosevic said that I thought anybody really needed to hear. It was just self-serving talk."

Times staff writers Alan C. Miller and William C. Rempel and researcher D'Jamie Salem Fitzgerald contributed to this story.